

# MINUTES OF MEETING

## HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, May 29, 2014, at 6:00 p.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth ( <i>by phone</i> )	Supervisor
Kerul Kassel	Supervisor
Mark LeMenager	Supervisor

Also present were:

Gary Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young, vanAssenderp, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Todd Haskett	Harmony Development Company
Jon Kessler	FMSbonds
Brock Nicholas	Harmony Development Company
Garth Rinard	Davey Tree
Brian Wheeler	Toho Water Authority
Residents and Members of the Public	

### FIRST ORDER OF BUSINESS

### Roll Call

Mr. Berube called the meeting to order at 6:30 p.m.

Mr. Berube called the roll and stated a quorum was present for the meeting.

### SECOND ORDER OF BUSINESS

### Approval of the Minutes of the April 24, 2014, Meeting

Mr. Berube reviewed the minutes of the April 24, 2014, regular meeting, and requested any additions, corrections, notations, or deletions.

Ms. Kassel stated page 3, paragraph five, I did not send samples to the University of Florida; Davey Tree did. Pages 4 and 5, the motion is incorrect. It was to spend \$6,500 toward the proposal Davey provided to the Board for landscape refurbishment, not for oak trees. Page 20, paragraph four, I said “you will have to ask Mr. Haskett,” referring to Mr. Nicholas. Page 26, second paragraph from the bottom, “When the water sits in the pipes, it increases it,” not “improves” it.

Mr. Berube stated page 11, middle of the first paragraph, “sided” should be “sighted.” In the second paragraph, the third line should say “in the ground.”

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the minutes of the April 24, 2014, meeting, as amended.

**THIRD ORDER OF BUSINESS**

**Audience Comments**

Ms. Nicole Berta stated I am here with Ms. Jacqueline Meek. We are residents of Harmony. We have growing concerns about the pools. We enjoy taking our children to the pool, but it seems as though we have increasing issues there. People are using inappropriate language, there are unauthorized card holders, and people are waiting by the gates to get in as soon as the door has opened. I personally had young unsupervised children try to wrestle the door out of my hand as I enter into the pool with my children and get into arguments with me. I actually had to threaten to trespass them off of the property. Ms. Meek has personally witnessed two adults using inappropriate language and threatening kids at the pool. People who are non-residents are coming into the pool area and opening doors. My biggest issue most recently was when I was at the pool with my children and another family. A teenage couple came into the pool and the boy ended up exposing himself to the female. She was taking pictures and giggling and laughing. Another adult who was with me stood up and went to the boy and said he needed to leave immediately or they were calling the police. It seems to be a growing issue where residents have to police the pools. It is becoming no longer a fun activity for my family to do and Ms. Meek’s family to do. We are looking for discussion from the Board to have a staff member at the pool now that school is out next week and we are going to have a lot more kids at the pool. We would like the staff member to check IDs or do something to make it so unauthorized users or people not abiding by the rules are escorted out.

Mr. Berube stated we hear you. We had this discussion last summer. People came to a couple of meetings in a row. Our immediate knee-jerk reaction to that was to put deputies at the pool, which is clearly overkill. One of the things we did toward the last quarter of last year was to hire an additional staff member. We went from three staff members to four, and we changed it from a part-time position to a full-time position, in part, so they could monitor the pools in the summertime. I can tell you that pool security

is not posted on the agenda, but it is part of the discussion tonight. Part of this is because I spoke to your Mr. Fred Meek last Sunday after the incident. You will see a reaction. Pool security will tighten up. I cannot tell you exactly what we are going to do because we have not discussed it yet. I do not want to get into putting deputies at the pools again. That is not the right reaction and does not send the right message. Something is going to happen. We will probably be able to contact a staff member by text or phone because there is always someone here. Somebody will be able to respond because they all have vehicles. That is my aim. It will be discussed and will be fixed before it gets any worse.

Ms. Berta stated we have gone to the Sales Office a few times.

Mr. Berube stated that is not their issue.

Ms. Berta stated that was our only point of contact.

Mr. Berube stated we understand. All of the staff members have telephones and are reachable. I am going to ask the Board to approve posting the name and phone number of the staff member on duty. Texting may be the best way to do that because now that is not obvious. We hear you and I agree with you. I know the pools are very busy on the weekends. I have been there and have seen some of this activity myself. You should not feel insecure.

Ms. Berta stated we have not been back since.

Mr. Berube stated I apologize for that. We switched from keys a few years back because the keys were abused. The access cards got tightened up over the last year or two and we have managed the access cards. However, there are probably a few loose ends that need to be addressed. We got your message and something is going to happen. It will get better. If it does not get better, come back and let us know.

Ms. Kassel asked what time of day did this happen?

Ms. Berta responded it happened on Saturday at 2:00 p.m. I know there are cameras, but I do not know if they have audio. You can definitely see the body language.

Mr. Berube stated we were given the time and the address of the individual.

Ms. Berta stated we have their address as well. My husband works for the Orange County Sheriff's Department and the family with us also works for the Sheriff's Department. However, this was on their off time. I cannot speak with 100% certainty, but the same couple was caught outside of the golf course not too long after that in the evening. One of them was taken away by a deputy because they were performing the

same lewd and lascivious activity. It got to the point where the young man was trying to get his pants off, and he was just going to wear his underwear to the pool. He ended up exposing himself. At first it was assumed to be an accident, but then he did it again. My daughters were 10 feet away in the pool. There were other kids in the pool. He thought it was a big joke.

Mr. Berube asked did you happen to see how they got into the pool area?

Ms. Berta responded I believe the young lady had a card. I do not know how old the young lady was. I presume she was in high school. You would presume that she would have the wherewithal to take care of herself and not exhibit that type of behavior. You have these young couples in the baby pool making out. Then it came to the point where the young man was exposing himself. Personally, I have had to slam the door on a group of middle school kids. One of the boys actually lives here. But I am not going to be responsible for allowing that child to come into the pool and risk him getting hurt. Then they are going to turn to me and say that I let that boy into the pool and he got hurt. The boys argued with me, and another kid who was unattended let them in. Then they were carrying on and yelling that they got in. One of the staff members eventually came and told them they needed to leave because they did not have a card. They sat and argued and complained and called their parents.

Mr. Berube stated it seems to be an endless succession of events, particularly at prime times on the weekends. It is going to get worse during the week now with all of the kids out of school.

Ms. Berta stated we are out of school next Thursday. After that, it is probably going to be a free-for-all until August. That is my biggest concern.

Mr. Berube stated I guarantee you that you are going to see a reaction.

Ms. Berta stated I appreciate that.

Mr. David Leeman stated I come before the Board asking to set or change a policy. Four times in the last three years, I have gone to take a bag out of the doggie pot and gotten into an argument with a bunch of angry female paper wasps. Each time I called it in, they came and took the wasp nest out, but obviously there is no follow-up. Therefore, I am asking the Board to set a policy. Each of these came about in the doggie pots people do not use very often, which is why the wasps go in there. Do not just go and check the

bags, but open up the pot and see if any critters are living in there and remove them before someone else gets stung. I got stung once out of those four times.

Ms. Kassel stated we will make sure that happens.

Mr. Berube asked do we have a policy?

Mr. Leeman responded the policy is, I call in and they remove the wasp nest, but they never set a policy to check the pot. They only checked the bags. I am asking the Board to tell the management company or Mr. Haskett to open up the actual pots.

Mr. Berube stated to be clear, the problem with the wasps is where the bags come out.

Mr. Leeman stated not where the waste goes. It is where the bags come out. When you pull a bag out, they come right out after you.

Mr. Haskett stated we will check the pots, also.

Mr. Leeman stated thank you very much.

Mr. Nicholas stated there was one audience comment from the last meeting. A woman came and spoke about the bird bath created in the alley to the north side behind Sundrop. I believe it is on the alley list, but I just wanted to get this into the record.

Mr. Boyd stated I spoke to her in the hallway and will check it out.

Mr. Berube asked was this alley not on our initial list of the two neighborhoods?

Mr. Boyd responded no, it was outside the scope of those two neighborhoods.

Mr. Berube asked is the repair that she is seeking fairly easy or is it a big resurfacing?

Mr. Boyd responded I do not know yet. I have not looked at it yet.

Mr. Berube asked next month, will you let us know?

Mr. Boyd responded yes.

#### **FOURTH ORDER OF BUSINESS**

#### **Presentations**

##### **A. Discussion of Refinancing Options for 2001 Bonds**

Mr. Kessler stated I am with FMSbonds, a municipal bond firm based in South Florida. People are familiar with the CDD. The CDD issued bonds to put in infrastructure. There were bonds issued in 2001 and 2004. Starwood and Mr. Nicholas, due to the low interest rate environment, have been asking me for the past couple of years for a way to refinance the bonds. Typically, you can only refinance bonds when a community is built-out. The typical protocol is when these bonds were issued, they were non-rated, secured by land and a business plan to develop and sell homes. Once a community is built-out, we can get the bonds rated and refinanced. This community is

not built-out so you cannot get them rated. However, interest rates are still very low, and I think there is the ability for the CDD to refinance its bonds. That is why I am here tonight. I am talking about the 2001 bonds. The 2004 bonds are not callable until next year. There is not a lot of development there, so I am not certain they would be refinanceable next year anyway. However, we would broach that at that time. I just put together a brief presentation.

Mr. Nicholas stated just to be clear, the 2001 bond issue is all of the homesites currently owned and occupied by residents. None of the area included in the 2004 issue of bonds is occupied by any residents. This conversation affects all existing home owners in Harmony.

Mr. Kessler stated that is correct. There were \$17.7 million in bonds issued in 2001. There is approximately \$14 million in bonds outstanding today because you have been amortizing debt every year. The coupon on the bonds is 7.25%. The bonds can be refinanced as of May 1, 2014, meaning that they are callable. However, there is a significant call premium on the bonds, which is 103.25, meaning you would have to pay \$457,000 to refinance the bonds. That premium goes down every year, which I have laid out in a schedule. Next year it would be 102.25, 101.25 in 2016, par and a quarter in 2017 and at par in 2018. This means you would not have to pay a penalty.

Mr. Berube asked if we go to 2019, does it go below par?

Mr. Kessler responded no.

Mr. Berube stated eventually it gets below that when it is all paid off.

Mr. Kessler stated that is true. Even with the premium, because there is infrastructure in the ground and the fact that there are homes, due to where rates are today, I think there is the ability for the community to refinance and actually save money. The one question that Boards often have is if they have to issue more bonds to refinance the bonds. The answer is no. The par amount of the new bonds would actually be the same par as the old bonds, even with the premium and the costs. The main reason for that is when the bonds were issued, there was a Debt Service Reserve Fund, which investors require. I do not know if you noticed on your statements, but there is about \$1.4 million sitting in an account, probably not earning much interest. That is security for the bondholders. In the new financing, the District cannot touch that money. It has the earnings and can offset debt service, but that is fairly diminimus. That money just sits there for the life of the

bonds and is typically used to pay debt service in the last year. In the new bond issue, because the credit is better, I think we can issue new bonds and actually only need half of one year's worth of the Debt Service Reserve Fund, meaning you free up roughly \$700,000. That \$700,000 would pay the premium and the costs of issuance. This is why the par would not change. The coupon would go from around 7.25% down to about 5.35% as the market is incredibly strong right now. The new bonds would not be rated. They would still be non-rated securities. The call provision on the new bonds would likely be 10 years, but it would be at par, meaning you could not refinance for 10 years. However, after 10 years you could refinance at par and you would not need to have that premium. The new Debt Service Reserve Fund would be half of one year's worth of debt service. All of the costs of issuance and the premium would be financed in the transaction so the numbers I am showing are net of all costs. There is no out-of-pocket payment that the District has to make, except for the fact you would be using this Debt Service Reserve Fund, which you are not using anyway, to pay for the transaction. In timing, if you wanted to move forward, it would be around four weeks to closing. We provided a side-by-side comparison of the current bonds to the new proposed bonds with the same amount of par. The new par is probably slightly less, but I showed it being the same. The coupon would go from 7.25% to 5.35%. Your debt service would go from \$1.4 million to \$1.225 million. The maturity would be the same and you would go from a one-year reserve to a half-year reserve. The annual savings would be \$175,000 and would be applied pro rata across the board so everyone's assessments would decrease by 13%.

Ms. Kassel stated but when we look at that number in our financials, generally those two numbers are comingled.

Mr. Kessler stated each resident in the community would see a decline of 13% on the debt service, not the operations and maintenance.

Mr. Berube stated overall, it will amount to about a 9% reduction. We are all excited about the decrease.

Ms. Kassel stated I am just making it clear for the residents.

Mr. Berube stated they are going to hear 13%, but it is going to be less. The CDD fee is everything blended into one assessment amount. We do not break it out among 2001 bonds, 2004 bonds, or operations and maintenance. When people hear a 13% decrease, if

they are paying \$3,000 now, they think they are going to save 13% of \$3,000. The truth is they are going to save 13% of one of the line items within that total assessment.

Mr. Kessler stated you are absolutely correct. The operation and maintenance assessment would not change. The total savings to the District, taking the \$175,000 times the number of years outstanding, would be \$3 million. Then the present value, which is taking the \$175,000 every year out to 2032 and discounting it at the bond rate, is \$1.9 million. It is fairly significant. On a per-unit basis, you are going to save some money, but it is not going to change people's lives. If you are paying \$1,000, you are going to save \$130 per year. There is some information on me and my firm and what we do. We underwrite a lot of these bonds. I worked at Bank of America for 15 years and was involved in the initial Harmony financing. I have been at FMSbonds since 2008. Since I have been there, our firm has underwritten approximately \$1 billion of financings in about 100 transactions.

Mr. Berube stated the only reason why you are here is because you know Mr. Nicholas and he would not bring in a substandard firm.

Mr. Kessler stated these bonds are trickier because they are non-rated. They are not rated bonds. It is a very niche business, we trade a lot of non-rated bonds, and we actually underwrite a lot of non-rated bonds.

Mr. Berube stated this is actually the buying and selling of money and there are going to be some fees for you in this. He is not working for free.

Mr. Kessler stated we have not gotten into that. This is a securities offering. Have you seen the prospectus from the original transaction?

Mr. Berube responded we briefly looked at it and it is boilerplate.

Mr. Kessler stated in order to proceed, there are a number of professionals involved, such as bond counsel from Akerman Senterfitt who was the original bond counsel. We would have to obtain a proposal from them. You need to have a firm put together a bond prospectus. You have issuer counsel, District counsel who has to prepare an opinion, someone to prepare the supplemental assessment methodology, and a bond trustee. The costs of issuance are probably around \$120,000. To underwrite the bonds, the selling commissions for brokers who sell these bonds is around 2% of the par amount.

Mr. LeMenager stated you said the fees should be net of all costs.



Mr. Kessler stated it is. This is mean to be a summary presentation. I can provide the Board with detailed numbers on all the sources and uses of all the funds and a detailed budget.

Mr. LeMenager stated we just paid for the lights.

Mr. Berube stated this number is pretty accurate relative to the fees.

Mr. Kessler stated that amount would be net of all costs. The biggest cost is the redemption premium. These bonds were issued at a difficult time when this property was a dream. There was a very onerous redemption premium that was negotiated with the bondholder. That is what is different about this refinancing. Despite that, there are still significant savings. What I cannot tell you and I do not think anyone can tell you is where interest rates are going to be next May or the following May. I can tell you today there are pretty significant savings. Municipalities generally refinance their bonds if there is a 3% to 5% savings, which is present value savings.

Ms. Kassel stated we are saving less than 2%. We are saving 1.9%.

Mr. Kessler stated your present value savings are substantial.

Ms. Kassel stated I am talking about the rates.

Mr. Nicholas said it is 190 basis points.

Mr. Kessler stated I am talking about present value savings.

Mr. Berube stated I like the fact that you are familiar with Mr. Nicholas. Obviously, you have been involved with Harmony since the beginning. The bottom line is, this is the buying and selling of money. Is it a fair question to ask if all of these numbers are going to look roughly the same for anyone else in this business?

Mr. Kessler responded I do not know. This is a non-rated bond, and the community is not built out. You still have a substantial percentage that is owned by the master developer. I am not certain that someone can execute it at the same interest rates that we can. We have a significant retail distribution business where we sell bonds to individuals, and we have a significant institutional distribution. This is a very aggressive proposed execution. Looking blindly, you would not know that. I think it is better than this, interest rate wise, but I am not confident there are other firms that can get it done at this level.

Mr. Moyer stated I am involved in this market in other CDDs, and I can tell you the cost of issuance number of \$120,000 is about right, and the underwriter's discount or

spread is in the 2% range. Selling unrated development bonds is a niche market where there are not many players.

Ms. Kassel asked are you comfortable with this proposal?

Mr. Moyer responded I think the numbers Mr. Kessler put on the table are comparable to other firms.

Mr. Berube stated Mr. Walls works with bonds every day.

Mr. Walls stated I work with rated bonds. If we can make it happen and we are at the point where we can do this, why not save some money. I have been asking Mr. Moyer about this for a long time.

Mr. Berube stated we have been discussing street lights having a \$2 million obligation and here is an option of \$14 million. It seems like a no brainer to me. What is Mr. Qualls's experience with this?

Mr. Qualls responded my role is simply to issue an opinion that the District has done everything the District should do, and that is certainly the case. You do not want me to talk about the numbers. I defer to others who are more knowledgeable. However, I see no problems. Obviously, a lot of things have to happen.

Mr. Berube stated I understand. Mr. Boyd has been involved with the bonds.

Mr. Boyd stated it sounds like it makes sense.

Mr. Berube stated Mr. Kessler said it would take four weeks. Is that from tonight?

Mr. Kessler responded I recommend continuing this meeting for 10 days so we can come back to the Board with bond documents. We would get those documents approved, which would give us the ability to market the bonds and close in four weeks.

Mr. LeMenager asked what is our notice period to have another meeting?

Mr. Qualls responded you would continue this meeting, which has already been noticed, and the public has been put on notice by virtue of being here.

Mr. LeMenager stated at the end of the meeting, we would not adjourn the meeting. We would just continue the meeting.

Mr. Moyer stated that is correct.

Mr. Kessler stated we would have a bond resolution, trust indenture and a draft prospectus at the continued meeting.

Mr. Walls asked from a staff perspective, are you okay with moving forward that quickly? Is there something you need to look into?

Mr. Moyer responded no. This is essentially driven by the economics of the transaction. I think at this meeting that the Board should authorize retaining Mr. Mike Williams from Akerman Senterfitt as bond counsel for the District. He will be the one generating the documents you will be looking at when we reconvene the meeting, if that is your desire. Severn Trent handles your assessments and they will have to run a new assessment roll for the Board. If you are moving this to be closed in four weeks, you probably do not have time to find another assessment company, although there are companies that do that type of work. This is such a simple, basic transaction that you are going to have a new debt service number run against your assessment roll based upon the pro rata share each property already is currently paying. This is strictly mathematical.

Mr. Berube stated the real change this year to the assessment roll is \$175,000.

Mr. LeMenager stated I am all for doing this as quickly as possible so we can get it into the budget.

Mr. Walls stated the only risk I see is if you lock it in for 10 years.

Ms. Kassel stated if it goes lower, then we lose out.

Mr. Kessler stated we are in a long time of low interest rates. I am somewhat surprised that the 10-year and 30-year interest rates are where they are right now. Your next big benefit is once this community is 100% built out. When will unit 1 be built out?

Mr. Nicholas responded I will not put this on the record, but I can tell you the bondholder needs some added protection for an unrated issue like this. The hold period does not preclude an individual resident from prepaying their bond. You cannot legislate that. The freedom still exists within the home owner community. This is just strictly saying you are not going to beat 5.35% for the next decade. You are not really giving up a whole lot on an added 10 years of call protection. We would do a refinancing on the 2004 bonds tomorrow and give them 15 years of call protection if we could get these basis points.

Mr. Walls stated I am just putting that out there. I do not think the rates are going to go down.

Mr. Kessler stated if the community was 100% built out, this bond would be 4%. We could get it rated by the rating agencies and get bond insurance. However, it is still non-rated.

Mr. LeMenager made a MOTION to accept the proposal from FMSbonds to refinance the 2001 bonds.  
Ms. Kassel seconded the motion.

Mr. Nicholas stated we need to get Mr. Williams and Ms. Alice Carlson in the loop fairly quickly with FMS and get the assessment roll and counsel clock started.

Mr. LeMenager asked will this go into effect for the November tax bill?

Mr. Moyer responded yes.

Upon VOICE VOTE, with all in favor, unanimous approval was given to accept the proposal from FMSbonds and proceed to refinance the 2001 bonds.

Mr. Nicholas stated I will coordinate with Mr. Moyer and schedule a date and communicate that to Mr. Kessler.

Mr. LeMenager stated we owe a big thank you to Mr. Nicholas. Great job.

**B. Presentation from Toho Water Authority (Toho) on MIEX Plant Upgrade Progress**

Mr. Wheeler stated Mr. Nicholas asked me to come to the meeting tonight to give a briefing on where we are at with the water system in terms of the improvements. I have some good news. Since January, the water quality in terms of the disinfection by-products, which was the main issue in terms of health, has been substantially below the disinfection by-products level. We are continuing to work with the MIEX system. The MIEX system started in August, 2013. Initially, the system worked as planned for several weeks, but then the system began to fail in the sense that the disinfection by-product level started to rise again. We had MIEX come back in and look at the system. They tried different improvements and determined it was caused by the level of sulfur within the water. The resin in the MIEX system removes both the hydrogen sulfide and the carbon, but it tended to remove sulfur first and the carbon second, which created sulfur bacteria growing on the resin, which inhibited the resin from taking out the carbon. They needed to figure some way to keep the sulfur bacteria from growing. They have been doing this back and forth and while we were doing that, we sent the residents a letter saying we were going back to using the chloramines because the resin that was highly effective in removing the sulfur. The sulfur is what was inhibiting the chloramines. Since we have been using the chloramines, the disinfection by-product level has been well below. In fact, the limit is 80 parts per billion, and we have been in the 20s and 30s.

Just recently in the last week MIEX, after testing and working back at their facility, has installed some improvements that they believe are going to inhibit the growth of the sulfur bacteria. In fact, this was started just last week. They removed the old resin and installed new resin and made some improvements with some chemical additions and aeration that is going to inhibit the growth of the sulfur bacteria. We are currently in the testing period. We will continue in this manner for 90 days. We are getting the quality of water that we need to get. We will watch and see if there are improvements. If there are, we will begin to phase out the chloramines. At the end of the day, if we cannot get the MIEX to fully remove the carbon out of the water, we know we have a system that works now with the combination of the MIEX and chloramines. We would like to get back to the free chlorine.

Mr. Berube stated right now the resin has been changed and we do not have any bacteria buildup. Is it safe to presume the water coming out of the tap today is in compliance with both standards?

Mr. Wheeler responded yes. It has been since the first of the year. Like I said, we want to get away from the chloramines and use MIEX. In testing, they believe they can get the MIEX system to remove both the carbon and the sulfur so we can get away from the chloramines and get back to the free chlorine. I heard from a resident relative to us still doing the flushing. When we tell people they should not irrigate at certain times, they do not like to be told not to irrigate when we are flushing water. We are doing that because we have to keep the water fresh from a health standpoint. We would like to do that, but that is costing us to treat the water. If we get back to the free chlorine, we can cut that back down also at the same time.

Mr. Berube stated in reality, the system is improving. We had some bumps in the road since the new plant was installed. Right now, you are on fairly steady ground that good water is going to continue. We will continue to test as we have for the past several years to make sure we are maintaining water quality.

Mr. Wheeler stated yes. We had a performance guarantee with the manufacturer of the MIEX system, so everything they have done has not cost us. Their requirement in terms of producing the clear water is that they guarantee they can produce this quality of water. To their credit, they have long gone past where they are making any money on this project. However, if you are in this type of business, your reputation is also your

business. If they are not successful here, their competitors will say to talk to Toho about Harmony if MIEX was successful. From their standpoint, they need to make this work.

Mr. Berube stated you spent enough money. It is good they are standing behind it.

Ms. Kassel asked what is your estimated timetable for assessing whether or not this new resin will work so you can get rid of the chloramines?

Mr. Wheeler responded 90 days. When they were working on MIEX previously, within 30 days, we began to see the deterioration. I suggested waiting 90 days to give it enough time, and if, at the end of 90 days, everything seems stable, we will start to feel comfortable that they have, in fact, solved the sulfur bacteria problem. If we start to see during the 90-day period a gradual increase in the disinfection by-product level of which we are measuring the carbon removal right now, then that will tell us they have not solved the problem. That 90-day window is our timetable.

Mr. Walls asked did the clock start already?

Mr. Wheeler responded yes. They kicked up the new improvements last week.

Mr. Berube stated realistically by September or October, we will know if this worked or not.

Mr. Wheeler stated that is correct. We know before then. If things start to go south, then we will be able to tell it did not work.

Ms. Kassel asked at the end of the 90-day period, do you expect to end the flushing?

Mr. Wheeler responded one step at a time. We want to go from removing the chloramines and go back to the free chlorine and test the water. You want to be successful at one thing at a time, as opposed to stopping everything at one time. The idea would be to stop the chloramines, go back to the chlorine, test the water to make sure it is stable, and then taper back on the flushing. We will do things in an incremental period of time.

Mr. Berube stated if they stop flushing, some ponds may go dry.

Mr. Wheeler stated it will be during the rainy season, so hopefully you will not have that problem.

A Resident stated my water smells so bad that not even my dog wants to drink it.

Mr. Wheeler asked how would you describe the smell?

The Resident responded like sewer water.

Mr. Berube stated I noticed that several times in the last few months. It is not all the time. It is intermittent. It happens more on the hot side, which is typical because of what goes on inside the water heater. My wife complains about the smell of the water in the sink all the time. It seems when the water goes down in the kitchen sink, that initial blast comes out probably from the water that sits in the trap and the disposal. It probably has some sort of chemical reaction when the new water goes in; it smells like sewer water. I do not think it is the new water coming out of the tap. I think it is because there is some water in the drain. When the hot water is on, it has more odor because I have not drained the water. I believe that is what this resident is talking about. It probably has to do with the bacteria buildup. I am sure that does not help with the smell.

Mr. Wheeler stated we did a complete flush of the system in the middle of April because we found under the previous system we were using, the chlorine killed off the hydrogen sulfide and a deposit of sulfur went into the water lines. During the month of April, we received calls from residents regarding coloration and turbidity in the water. Unbeknownst to us, the fire department was out messing with the fire hydrants, so we went to find out what was going on. We determined that we would flush out the entire system, and we saw tags left by the fire department when they flushed out the hydrants, which probably stirred up the sediment. It was probably a good thing in the long run because we ended up being out here a week to two weeks until we completely flushed most of the sediment that had accumulated in the system. Some of it could have been leftover from construction. It would be good if we could get some of the residents' addresses so we could check it out in terms of where the houses are located and determine how we are flushing the system and keeping it fresh.

Mr. Nicholas stated if anyone wants to give their name and address, I will provide it to Toho.

The Resident asked why can we not get our water from St. Cloud?

Mr. Berube responded because it would cost millions of dollars to get that pipe down the road.

The Resident stated I do not think anyone wants to drink smelly water.

Mr. Berube stated the bottom line is, they bought the same treatment plant that St. Cloud has. Once they work out the details, you will have the same water as St. Cloud.

The Resident stated we have been complaining forever and nothing has been done.

Mr. Wheeler stated I know it has not reached a satisfactory level, but a lot has been done. There has been a lot of effort and a lot of money spent by us.

The Resident asked can we drink this water safely?

Mr. Wheeler responded yes. The water meets all of the health requirements. The water may not smell good or taste good, but it is not a health issue. It is most likely the sulfur compounds in the water, but that is not a health issue.

The Resident stated we need good water.

Mr. Wheeler stated I understand.

Mr. Berube stated it has been a long road with Toho. They have been very cooperative. When I came here 10 years ago, the water was literally greenish yellow, and you did want to get near it. It was pretty bad. It has improved dramatically. They spent nearly \$2 million on the new plant across the street to improve the water. There used to be meetings like this on a quarterly basis here with people who wanted to grab Mr. Wheeler by the neck. I agree with you that the water is not perfect now, but it is 50 times better than it was two years ago. It is a slow road and there is a little bit of science behind it. I really believe they are getting close to good, solid, high-quality water coming out of the tap every day.

The Resident stated we hope so and we will wait patiently for that day.

## **FIFTH ORDER OF BUSINESS**

### **Subcontractor Reports**

#### **A. Aquatic Plant Maintenance – Bio-Tech Consulting**

The monthly aquatic plant maintenance report is contained in the agenda package and is available for public review in the District Office during normal business hours.

#### **B. Landscaping – Davey Tree**

##### **i. Monthly Highlight Report**

The monthly landscape maintenance report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Rinard stated we made mention in the summary that some sod in the center of the dog park was tested. The test results came back clear. We planned on having the sod patching completed by the Board meeting, but it was delayed until next week.

##### **ii. Planting Enhancements**

Mr. Rinard stated Ms. Kassel and I met and talked about enhancing Indiangrass, Sundrop, Schoolhouse turnabout, and Harmony Square. Indiangrass is complete. Schoolhouse is complete, but I would like to do one modification as there is a gap



between the existing plant material and the curb area on the northeast quadrant of that circle. In talking with Mr. Haskett as to the reason for the gap, historically this area has had trucks running over the plant material. Instead of replacing the plant material we originally thought about, I would like to install a strip of sod to widen the area out. Narrow strips of sod over time typically do not last very long because of line trimmers versus mowers as far as the maintenance. We can do this in conjunction with the sod repair next week at the dog park if the Board agrees.

Ms. Kassel asked are you proposing to remove any plant material or simply add sod?

Mr. Rinard responded I think we need to look at going up a foot or so into the existing bed so we can get the width we are looking for. It is not a uniform shape in terms of making those connections from one end to the other. It narrows, widens, and narrows back down. There probably would be some removal.

Ms. Kassel stated I will take a look. They have been working on a number of areas, and as of this morning, they were still working on the town square. Sundrop is not yet complete and still in process.

Mr. Berube asked are we 50% complete in all four areas?

Mr. Rinard responded we are farther along than that.

Ms. Kassel stated we are probably 70% complete.

Mr. Rinard stated in part of the square, there are a couple of areas we are holding back on because of the tree situation. All of the other areas for the square, the plant material is in and they have some touch-up work to complete tomorrow. That will be completed and then they will move right into Sundrop. I expect Sundrop to be completed no later than Monday afternoon. We are very close.

### **iii. Tree Issues**

Mr. Rinard stated relative to the trees in the square, I provided a chronology beginning with the discovery of the first two trees and then a third one as to where things have gone. That chronology went up until about two weeks ago. Since that time, we had additional individuals out taking additional samples. In particular was Dr. Stephanie Bledsoe who runs PHC Professionals, which is a diagnosis and consulting group. We also submitted samples to Dr. Adam Palmatier in Homestead who is with the University of Florida. That is subsequent to the original samples we sent to Dr. Jason Smith at the University of Florida. He was initially recommended because of the speed with which these trees declined. They literally declined overnight. There is a study that Dr. Smith is

heading on sudden oak disease. Because of the timeline and the rapidity with which these trees declined, we targeted him initially. However, he was not able to pull cultures and find anything with the samples we sent. Those samples were foliar tip branches on medium-size branches and some root sampling, as well. That did not answer any questions, and there is obviously something going on. We evaluated from an external standpoint as well as to whether or not there are any circumstances that might be affecting those. Where the chronology stops, I have had conversations with Orange County Extension Office and Osceola County Extension Office. We brought Dr. Bledsoe down for a field visit. She took additional samples. That same week, we dropped the two original trees but held onto trunk sampling. We showed those to her and she saw some vascular discoloration. She took those, trying to pull cultures, and as of two days ago, she has had no success. As of yesterday afternoon, there is some hope and we are cautiously optimistic. She is starting to see growth from the cultures she has done. We still need more time to identify the disease. In the meantime, a lot of the people I spoke to seem to think that general stress and all of the different factors the trees have gone through over the years caused the decline. That is hard to sell, rationalize, and accept. There has to be something happening. One thing that is common with trees planted at the same time is they likely came from the same supplier. There could be something in the ground that we have not discovered yet that helps lead us to what the problem and solution are. I would like to remove the third tree in the square. But I want to do it carefully because I want to pull the root ball out. One of the things I am looking for is to see whether or not there is any girdling of the roots and if there are any indicators. I want to do that in timing with my regional advisor so he can be here and physically inspect it. We will take pictures and document it and proceed from there. In the meantime, hopefully the cultures continue to develop and once they get to sporification, then there are some additional processes they can start identifying what pathogen is internal. I do not have anything definite, but it looks like we may have something in the process.

Ms. Kassel asked have any other trees been affected?

Mr. Rinard responded no, we have not seen anything. Within the same area, there are a couple of trees with some small minor browning, but it looks like those are just caused by tip break. I have not seen any additional discoloration. However, in talking with Ms. Celeste White with Orange County and Ms. Jessica Sullivan with Osceola County, they

have seen and have cases that they have dealt with. Because of resources, lack of funding, and lack of desire, they never carried it beyond where we are with what we are doing. There has never been anything definitive that says what is going on relative to the sudden oak. It is not likely that it is sudden oak or has anything to do with it because one of the factors with sudden oak and its ability to do what it does is relative to temperatures. The general thinking among the community of scientists and experts is that it is too humid in our area for us to even experience that. That is where we are right now.

Mr. Moyer asked what type of oak tree is it?

Mr. Rinard responded all three are laurel oaks.

Mr. Moyer stated that is interesting.

Mr. Rinard stated I would like to pursue removing that oak tree.

Mr. Berube stated you are the expert so we will go with whatever you recommend.

Ms. Kassel stated the sooner, the better.

Mr. Rinard stated my regional advisor is in town next week, and I have already given him a heads up.

Mr. Berube asked are they going to bring the tree truck in?

Mr. Rinard responded no. This will be a loader and we will cut around the root system, dig it out, excavate to the base of the root system, and pull it up.

Mr. Berube stated do what you have to do. We have to save the trees.

#### **iv. Discussion of Fairy Rings**

Mr. Rinard stated in the Bermuda turf on the soccer field, there is a fairy ring. It is basically a result of organic material. One of the best ways to combat it is to keep the color and try to blend it in. We did a 46-0-0 application and the color has come in. We need time. Sometimes the chemicals work and sometimes they do not. It depends on the type of fairy ring it is. There are three different types.

Ms. Kassel asked are most of the open fairy rings non-poisonous?

Mr. Rinard responded yes, as far as toxicity is concerned. If any mushrooms are present, we would do a physical removal so the kids are not tempted to touch them.

Ms. Kassel stated it is not going to hurt them.

Mr. Rinard stated no, it is not.

Mr. Berube stated that could be a slippery slope sometimes if you get the bad ones to pop up.

**v. Davey Tree Contract Renewal**

Mr. Berube stated we are into budget season, as you know. We will probably schedule a budget workshop for next month. This is coincidentally a renewal year for Davey, and I presume you want to review your contract.

Mr. Rinard stated yes.

Mr. Berube stated I believe you want to stick with your 2% increase, which is contracted.

Mr. Rinard stated yes.

Mr. Berube stated now we have this \$25,956 increase for Neighborhood H-1. Your current contract covers just under 100 acres and is worth about \$400,000. That is about \$4,000 per acre, per year. Neighborhood H-1 is 3.22 acres, according to information I was provided. At \$4,000 per acre, per year, times three, that is \$12,800. What did I miss? We have a proposal for \$25,956 for what appears to be very similar landscaping as the rest of the community. Why does it cost double?

Mr. Rinard responded we are working off today's prices versus the prices submitted almost two years ago. I also have had conversations with Mr. Haskett recently regarding the same question. I have some flexibility with the number, but we are also off as far as my number and the square footage of coverage.

Mr. Berube asked what do you mean?

Mr. Rinard responded we are off by about 1.5 to 2 acres total.

Mr. Haskett stated the number that was provided—3.22 acres—was the new acreage amount including H-1 and tract N. However, a lot of the new landscaping that will be additional responsibility was put on the existing tract. Therefore, it did not show up in the new acreage because it was part of the old acreage. That number is slightly off.

Mr. Berube asked has this already been a maintained area under their contract?

Mr. Haskett responded the berm that is along U.S. Hwy 192 was added with additional material for the buffer that is required.

Mr. Berube stated so H-1 is not really 3.22 acres. It is five acres. Mr. Rinard said it is about 1.5 acres off. If we add 1.5 to 3.22 and round it up, that is 5 acres.

Mr. Walls stated but H-1 is 3.22 acres.

Mr. Haskett stated that is correct.

Mr. Walls stated we added landscaping to what we already had outside of H-1.

Mr. Berube stated I understand that. He says we are adding 1.5 acres of maintenance area. Is that correct? It has already being maintained.

Mr. Rinard stated no. The areas in the calculations are additional to what was part of the landscaping that was completed. You have additional bedding areas, plant material, trees, sod, and ponds to maintain. That is all part of the calculation.

Mr. LeMenager stated I think this is solvable because they do a lot of different things. You cannot just take \$400,000 and divide it by 100 to come up with a per-acre cost.

Mr. Berube stated we need to have some basis.

Mr. LeMenager stated yes, but what Mr. Rinard is saying is, he has more details. All he has to do is give us a more itemized proposal.

Mr. Rinard stated I will.

Mr. LeMenager stated clearly, it costs more to take care of flower beds than to mow lawns, which is easy. I am guessing a lot of the 100 acres is like what is in front of my house, which is one giant park.

Mr. Berube stated the landscaping in H-1 essentially reflects the rest of the community. That is why I was asking if something was different in H-1 that I do not understand. Significantly, it is not. It looks the same. We have swings and mulch underneath. We have trees and St. Augustine sod. I think the acre-per-year number is fairly accurate. When you are dealing with \$400,000, you have a lot of different things built into it. I am not arguing with \$400,000. Presuming we have 5 acres, do you want to stick with \$25,000? Make me happy. We have to go through our budget process soon.

Mr. Rinard asked what kind of timeline do you need to know?

Mr. Berube responded tonight.

Ms. Kassel stated I think he has to go back to his supervisor.

Mr. Berube stated no, he does not. He knows what he is going to do.

Mr. Rinard stated obviously, I am not going to sacrifice \$400,000.

Mr. Berube stated I am not saying you should. I just want to understand how we arrived at this. It is vastly different from what I expected.

Mr. Rinard stated I think we are on different pages as far as the areas and what is covered. I do not have a problem reviewing the number and making an adjustment and passing that information along. I just need an opportunity to sit down and look at it.

Mr. LeMenager stated give us an itemized proposal on how you came up with that number. I am all for it.

Ms. Kassel stated you should provide it to us before the meeting. If we have a continuance, we may have time to review it at the continued meeting.

Mr. Berube stated we are going to have a budget workshop at the end of June.

Mr. Rinard stated I can have this to you the first of next week. Is there anything else?

Mr. Berube responded I do not think so. Thank you for coming. It is always a pleasure to see you because you work with us.

Mr. Rinard stated it is a pleasure to be able to work with you.

Mr. Haskett stated until you work out the budget numbers, that area needs to be maintained.

Mr. Berube stated I was going to ask him to calculate that number so he absorbs it now and that we not start it until October.

Mr. Rinard stated I will take that into consideration.

Mr. Berube stated then we can have a nice clean start.

Mr. Walls stated I would suggest Mr. Rinard provide a reasonable proposal.

Mr. Nicholas asked what was the resolution?

Ms. Kassel responded the resolution is we are going to get a new number, he does the work, and he bills us at the agreed-upon new number when we agree upon it.

Mr. Nicholas stated that area needs to be maintained. Plant material is growing and it is raining.

Mr. Berube stated we do not need to maintain it because it is not ours yet.

Mr. Nicholas stated the resolution is the tidiness factor.

Mr. Berube stated between now and 10 days is not going to make a difference.

Mr. Walls asked does the CDD own that land?

Mr. Nicholas responded yes.

Mr. Qualls stated there was a dedication approved back in October.

Mr. LeMenager asked who is the builder?

Mr. Nicholas responded that is not public information just yet. There is no contract on it.

Mr. Haskett stated we will get it addressed.

### **C. Field Manager**

#### **i. Dock and Maintenance Activities Report**

The monthly dock and maintenance activities report is contained in the agenda package and is available for public review in the District Office during normal business hours.

#### **ii. Buck Lake Boat Use Report**

The monthly boat report is contained in the agenda package and is available for public review in the District Office during normal business hours.

#### **iii. Consideration of Proposal from Jungle Lasers for Use of National Geomatica's Geo3.0 Software**

Mr. Berube stated Mr. Haskett was not at the meeting last month when we discussed this proposal. We tabled this because I did not know what our requirements are. I like the NatGeo system and the boat reservations. There is no doubt that it works. NatGeo deserves to be compensated for that. In regard to the rest of the system, one could make the argument that we need it and one could argue that we do not need it. It costs \$4,000 a year. I see part of the package as being work orders, which are intended to be work orders to give to field staff to do some work. I do not see that we are directly involved in that. Mr. Haskett is the employer and if work orders are to be issued, that should be directly from you. Part of it has to do with the pool maintenance. Once again, we always said that there was a break between the CDD and the field staff, so pool maintenance reports would go with the employer. Therefore, we would remove those two pieces. The facility reservation system is not necessary. We have two pool enclosures and Lakeshore Park. We have three facilities that take reservations. How many reservations are we dealing with on an average month? I believe it is six or seven.

Mr. Haskett stated that is about average.

Mr. Berube stated we talked about this with the boats. We need to get the cost per use of the boats and the cost per ride. It is fairly stout. I like the system and NatGeo and Mr. Mark Catanese, but we need a couple of things in our processing system. One is the ability to take credit cards. There is a letter this month from a lady who wanted to get access cards. She apparently paid money upfront and then we declined to give her the access cards. Now we have to write her a check and return her money. She has been waiting all this time. If we can do this with credit cards, this would be a lot easier. People are yelling and screaming about the card system, and there has been a big exchange on the blog again about all they have to do to get a card and how long it takes.

They think it is all Mr. Haskett's fault because you hand them the access card. It is not you, but you print the cards. I think we need credit card processing because that gets us immediate ability. We also talked about boat deposits. We take someone's check or credit card number. If we ever had to run one, what would we do? I think we need to focus this system on credit card processing and figure out some way of making this system process access cards.

Ms. Lori Catanese stated you can use PayPal to process credit cards. They can set up different programs to do that. There is a way to do it.

Mr. Berube stated we can put this in the module.

Ms. Catanese stated yes.

Mr. Moyer asked does it reverse credit cards if someone makes a reservation, does not use it, and wants their money back?

Ms. Catanese responded yes. PayPal does all that, and it is one of the main ones they use. I have not heard any complaints on that.

Mr. Berube stated those are my thoughts. Mr. Haskett is the one who spoke with Mr. Catanese about putting this system together. I guess the direct question to you is if we need this entire package or if it is too big for us now. Mr. Catanese sent a detailed email on the reasons why we should have this system. You are the person who is going to administer it.

Mr. Haskett stated I think the boat reservation system has been great. It made the residents happy. It has made the District office happy. It has streamlined things. It made our boat usage increase slightly, which is a good thing. However, I do not see a need for some of the components. They were part of this package that Mr. Catanese discussed. We tried to tweak some of the components that he is willing to do to make it work for us, which is great. If there was a package to put together, it would be to include a complaint log. I hate hearing about all of the things on Facebook that go back and forth when there is a website to go to. I find out about things that I could have helped cure or resolve three to four days later, whereas if this system was set up, it would help expedite those things.

Mr. Berube stated let us face it; everyone has Facebook and is able to rant very quickly. It is very easy to make a quick reaction. Facebook gives everyone the ability to communicate quickly and usually gets some response. That is why you hear from us when we read it. To your credit, most of the time the response is quick.



Mr. Haskett stated the website indicates there is a component to reserve park facilities through the boat reservation system. The boat reservation system does not have that ability at the moment. However, as we grow, that will be more and more important. It will help take some of the process out of the District office. Those reservations are far and few between compared to boat reservations. Summer is showing more and more facility use. That would be a good component. I do not think it is time for it, but unfortunately, that is part of the package the retailer is looking for. My recommendation would be to come up with a mutually agreeable fee for what we already have and the smaller things that you want to add on, but not waste their time or funds for things that we are not going to utilize.

Mr. Walls stated I agree with you and do not mind paying for the system because I think what you said is true. People like it for reserving the boats, and it has made it easier for them to go online as they may be reluctant to call someone at night. I think it is a good idea to expand on that in terms of the facilities. I talked to you this week and people come to me. I know your staff gets busy and cannot respond immediately to say if a facility is available. However, when you are planning a party, you want to get a quick confirmation. Perhaps we can build that in along with the boat reservations. I know it will take some coordination with the staff, if nothing else to allow residents to pay for their access cards with a credit card and it can send a notification that they have paid and take that time-consuming piece out of the process of getting their cards. If we can do something like that, I do not think it would take a lot. I would be willing to pay for that.

Mr. Berube stated it is not a small facility with 200 people anymore. There are about 1,500 to 1,800 people. Everyone has diverse desires. A lot of this cannot be complex. I think we should focus on our needs. I think we are all on the same page.

Mr. Moyer stated when we went through the rulemaking process, we all discussed whether or not the deposits were worth the effort. Is it worth the effort on access cards if someone wants two extra access cards, whatever the cost is, or whatever we are charging versus the expenditure? In my mind, you should be considering the expense of what the programs are going to cost, versus what we would get from all of these things we are doing, whether or not any of that makes sense.

Mr. Walls responded we would have to talk to them about building that into the program itself. If they use PayPal, you are using a pay per use. Like you would with any

other merchant, they would have a small monthly fee we would pay. That is how that piece works. In terms of how often people reserve facilities, I do not know. It would make it a lot easier from a staff perspective in handling these issues and letting people get to it when they need it.

Mr. Berube stated you have to remember it is not just the credit card processing for access cards. We had this general discussion before of the cost for renting a facility. Mr. Walls has been an advocate for that for some time and how you handle the payment.

Mr. Walls stated that would be included.

Mr. Berube stated you would do it with a credit card. We are not at that point yet, but as growth occurs, there may be a need to charge for the use of the facilities or if someone damages a boat. We have this process in place. Are we going to send them a paper bill? The whole idea of asking for a deposit is to be able to charge for damages. I do not think we have ever done it because the process is tedious.

Mr. LeMenager stated I do not know if that is the whole idea. The problem when something is totally free is, it has no value. When you have to pay a deposit of \$250 to use the boats, even though it is not charged, you understand there is some value behind this. If you can use the boats for free, then you are going to be a lot less interested in making sure you take care of it. I certainly do not want to see us getting rid of deposits for boat use. The one thing I like about the proposal, maybe we are not ready for it, but I like the fact we are moving toward one place or one website you can go to try to get just about anything done. It can be hard in Harmony to do that. It just occurred to me that one thing people in Harmony never understand is the relationship between the CDD and HOA. It might be interesting to give the HOA a section on the website. If people have a complaint or they want to figure out how to get something done in Harmony, there is one website. I like the one-stop, accomplish-anything idea. Then you can tell people where to go if they have a complaint. I appreciate wanting to help people out, and yes, it is important, but at the end of the day, we are not babysitters. These are all adults. Make it straight forward and easy to use where people can do everything.

Mr. Berube stated I think Mr. Catanese said this could be a plug-in to any website, so maybe we get people accustomed to Harmonycdd.org.

Mr. LeMenager stated I do not think the website should be Harmonycdd.org. I think it should be "Harmony" and then there are various ways you can go. It is not the

developer's website, Harmonyfl.com. I respect them trying to sell homes and that is fine. This is something we can use to create a platform to say if you want to get something done in Harmony, this is the website to go to. If they want to reserve a boat, they should click on that button. If they want to talk to the HOA, click on that button.

Mr. Berube stated something like Harmonyinfo.com or Harmonyhelp.com.

Mr. LeMenager stated it sounds like this has the potential to do that, and it is not a bad thing to have something nice, simple, and straight forward.

Mr. Berube stated I agree. People say that all the time. We cannot point to where all of the rules are. You can go to Harmonyfl.com and look at the bottom for resident information, or you can go to HarmonyCDD.org where you have your choice of 9,862 pages.

Mr. LeMenager stated it sounds like they can actually put something together on where they need to go. They do not have to create the content. They just have to create the links.

Mr. Berube stated I like it.

Ms. Kassel stated I was concerned that the whole reporting and complaint system that was proposed was probably overkill for us. I think we are pretty good with what we have. If we want to add reservations to other things, I do not think we have that many per month, but if Mr. Haskett and Mr. Moyer believe it would be an efficient removal of tasks from them into the system, then I am happy to do it. In terms of being able to accept deposits, I do not know that you can do that through PayPal. I do not think you can pre-authorize a card through PayPal, but you would be able to accept funds for access cards and charges for reservations.

Mr. Berube stated I believe that PayPal has a business portal that is different from the non-business side.

Mr. Walls stated they do escrows. I am not advocating it, but I am just saying it is a possibility.

Mr. Berube stated I am sure there is a whole other side to PayPal that is business to business. I think Mr. Haskett listened to this conversation and the discussion from the residents. He and Mr. Catanese can put a revised package together, knowing what our desires are, and bring it back to see what we can do. I think everyone is in agreement that the boat system works very well, and there should be some monetary reimbursement to

NatGeo. I did not expect it to be free forever. It has been almost a year that we have had free use, and I think we all agree they should be compensated.

Mr. LeMenager stated we need to work toward the objective that if you have a question about Harmony, this is where you need to go. No one is going to try to sell you anything. This is your administrative site for the town of Harmony. Most of it can be links.

Mr. Berube stated what Mr. LeMenager is saying is absolutely true because we have the developer doing a whole bunch of things, the CDD doing a whole bunch of things, and the HOA doing a whole bunch of things. They are all different and distinct, but we are inextricably linked at this point, and it is probably going to be this way for another 15 years while the developer is a major player.

Mr. LeMenager stated I must admit that I changed my mind during the meeting. I was not all that in favor of it, but the more I think about it, coming up with a solution that can address everything is so easy. I cannot agree with Ms. Kassel that it works well now because we continue to have these rants and raves on Facebook. You can go back to the Yahoo group. We had discussions about the exact same thing for years. I am in disagreement that most people in Harmony actually know where to go to actually lodge their concerns or complaints.

Mr. Berube stated what stands out is when we were discussing all of the rule changes, we had paperwork from Fishhawk and when you read all of their rules, every page said "For further discussion, go to [www.fishhawk.com](http://www.fishhawk.com)." I read several other CDD rule packages, and they all refer you to their websites. This is apparently not unique.

#### **iv. Discussion of Fairy Rings**

This having already been discussed under the landscaping report, the next item followed.

#### **v. Discussion of Beargrass Alley Drainage Structure Report**

Mr. LeMenager asked did our guys fill up holes in the alley?

Mr. Haskett responded yes.

Mr. LeMenager stated there were a few spots behind my house, and I do not know why they even bothered.

Mr. Haskett stated they had material they had to get rid of; otherwise it would have gone bad. I asked that same question.

Mr. LeMenager stated fair enough.

Mr. Haskett stated the majority of the holes were in the Birchwood alleys off of Catbrier and Five Oaks. Those were repaired and it should get us by until they are paved in the future. I sent an email to the Board about drainage structure #61. We are not comfortable repairing that structure because it would create a backlog of water. The reason why Jr. Davis had originally cut that out back in 2004 was to drain the water. Until the surface is corrected, you do not want to plug the hole because it will create more problems.

Mr. Walls asked what if we were to cover it with another piece of metal to allow some seepage underneath? That will prevent people from driving on the hole.

Mr. Haskett stated I have a meeting with Mr. Boyd tomorrow, and perhaps I can have him look at the area and give his recommendation.

Mr. LeMenager stated spray the area with yellow spray paint so people see it and can avoid the area.

Mr. Haskett stated we will look into that and also get Mr. Boyd by there to see if there are any other options.

#### **vi. Miscellaneous**

Mr. Haskett stated I spoke at the last meeting about a resident who had a question about a doggie pot in the Green neighborhood. There are four over there currently, which is standard throughout the neighborhoods. With all of the ongoing construction, there could be an additional one, which we ordered for the Dark Sky Festival. There is where we plan to install one. Hopefully that is the right direction. As there is more growth along Butterfly, I am sure we will add more doggie pots through there. We are happy to report that all pool operations are going well. It was brought up about the concerns about the pools. We are all for taking additional steps, and there are things we can do, staff wise, to make it a better environment for the residents. That is what the additional staff member at the pool was initially hired for.

Mr. Berube stated Mr. Haskett and I have discussed a few ideas. I think most of us who read the Facebook blogs have seen a number of comments about pool security, and they have very valid concerns. I go to the pools when I am in town. I am generally at the pool every day, and my wife and granddaughter are daily visitors. What folks are complaining about is not terribly unusual. I have had people ask me to open the gate for them, and I tell them no. I have watched kids go over the fence. Mr. Haskett and I have watched kids go over the fence, which has been caught on camera. The abuses there are

growing in number. Last summer, we did the knee-jerk reaction with the deputies, and I do not think that was a good idea. As you mentioned, part of the deal with adding a fourth staff person was to manage the pool security. I do not think our guys need to be policemen, but I do not think we need policemen there, either.

Mr. LeMenager stated honestly, if some kid is exposing himself, he needs to be arrested and understand that he is going to have a stigma for the rest of his life as a sexual predator.

Mr. Berube stated the problem with calling the deputies out here is, they get called out all the time for people fishing in the ponds and for people in the pool area doing dumb things. The response time is ridiculous. It takes them 45 to 60 minutes to respond. We have four different staff members here who all have telephones. Their telephones are always on and the residents pay for those phones. We have a sign board at each of the pool facilities showing who has reserved it today. Add a line to the sign board or a separate sign for residents to know that to request CDD staff or assistance with pool matters, they can call or text whomever is on duty that day. We should be able to get fairly quick assistance because they are all out there in vehicles. They may be doing other things. I think it is better to call them, and when a uniform staff member walks in, it quells the disturbance and gets things done. Mr. Meek relayed to me what went on. It was three minutes of boisterous activity, and then it all cleared up. However, it nearly got out of control. Waiting for deputies to show up is nuts. We needed a third person to intervene. Residents are swapping access cards with non-residents. Residents are asking to have someone check the cards. That was our intent when we put a face on the card to match the face to the card. When access cards start getting confiscated, guess what is going to happen? The word will spread very quickly. We need some enforcement. Maybe we should put a separate sign on the wall. I am not really big on signs, but we have to do something. Maybe it will say something like *“Pool Security: Your Security at These Facilities Is Up to You. If you See Something, Say Something. Youths Under Sixteen Are Not To Be Unaccompanied Without Adult Supervision.”* That is the problem. Mr. Meek’s complaint was about young teenagers who came in the pool. The first one showed up with a card and opened the gate for everyone else. Then a parent showed up and started screaming at one of the involved kids. Under-aged kids created the issue, and a parent acting badly added to it. A whole bunch of people were inconvenienced that

day, and some said they will not go back until something is done. It is not right. Minors under 17 years of age need to be accompanied by an adult. Do not open the gate for other people. If someone opens the gate without a card, text or call a staff member. If you see something, say something. There should also be no horseplay at the pool. Our guys cannot be there all the time, but at this time of year, whoever is on duty needs to spend a fair amount of time between the pools. They do not have to just stand there and watch. There are other things they can do, such as test the water, look at the pump for leaks, and so forth. They do not need to be cops. This is only going to get worse. We already lived through one summer and are going to live through another. People are already complaining. Can we manage this?

Mr. Haskett responded I certainly agree that posting a phone number would not be a bad idea. These are District phones and employees are here to assist the residents.

Mr. Berube stated we do not want them to be the police. That is clear. If it is a law enforcement situation, they need to call the police. If someone walks in with a shirt that says "Harmony CDD" on it, it makes a statement. Maybe they need to confiscate a few cards for bad behavior or swapping of cards. There is a lot of stuff going on with the cards. As we discussed, we need some way of managing under-aged kids because nobody can tell from that card their age. You mentioned changing the background color to something other than the Harmony picture so it is easily identifiable as under-aged.

Mr. Haskett stated that is an easy fix. I prefer not to put kids' ages on the cards for privacy issues, but you can change the background color.

Mr. Berube stated I think the biggest solution will be putting up a sign to encourage people to call. Do not be afraid to call. If you do not want to call, then text. Everybody who has a cell phone can usually text. A lot of people do not want to stand there and make the call, but they can sit there and text. No one will know what is going on. All of our guys have texting capabilities. They just need to know what is coming and it is clear to them. Do not be a cop; just walk in and be an authority figure, and answer the phone or text.

Mr. Haskett stated quite a few things you are suggesting are already being done. As we experienced when we hired deputies, when the troublemakers see the deputy, they will just move to a different location. We will just have to be more diligent. We can certainly post the phone number of the staff member on duty. It will most likely not curb

the activity, but it will help out when residents go to the Sales Gallery, which does not get them anywhere.

Mr. Walls stated I am okay with that. My concern is, we are paying some skilled maintenance guys to be babysitters, and that is not necessarily an efficient use of funds. I get it. If we find that they are getting calls every hour to leave what they are doing and go over to the pools, nothing will get done. I do not think we want them to confiscate cards. Maybe they can take the name down and come back and deactivate the card. If that becomes a continual occurrence, I would like to look at a much lower-paid, non-benefit-earning worker on a part-time basis being a pool attendant. Having a guy who receives health insurance and a salary to run over and be a babysitter at the pool is not an efficient use of funds.

Mr. Haskett stated I totally agree. It is definitely a seasonal problem.

Mr. Berube stated the reality is, I would be willing to bet if there is one call per weekend, that is going to be a lot. Once the miscreants know there is going to be a reaction to bad activities, word is going to spread quickly. Right now, people know they can swap cards around because no one is watching. People are letting others in and out of the gates. It is the way it is. I have stood there and watched it. All you need to do it sit around. Someone is going to come into that gate on any given weekday and holler "I forgot my card, can you let me in?" Ten people will jump up and head for the gate and press the button. It is really nice to be nice, but then the pool will have 900 people. People are going to have to learn to be their own police. I think we can provide information on who to call. We can include the top ten offenses on the sign, and if you see them occurring, let someone know.

Mr. LeMenager asked are these typically repeat offenders that are the problem?

Mr. Haskett responded we do not know.

Mr. Berube stated there is enough of it that is going on. People are asking for help, and I think we need to take this step. If people do not help themselves, there is only so much that we can do. However, I think people will start doing this because enough have said they do not feel safe in their own pools and they will not go back. That is not right.

Ms. Kassel stated whatever language that is on that sign should be fairly obvious. To me, "see something, say something" sounds like terrorism.

Mr. Berube stated those words are strong, but you know what I am saying.



A Resident stated if you do not hire somebody to police the pools, it is not going to change.

Mr. Berube stated we have hired somebody.

The Resident stated you have young ladies walking around in string bikinis around families. That is not the right thing to do.

Mr. Berube stated there are limits to what is manageable. I agree string bikinis are not right, but that is a moral issue. We have hired somebody.

The Resident stated someone should tell them to leave or put some appropriate clothes on.

Mr. Berube stated part of the addition of a fourth pool person was intended to handle exactly this during the peak season, and here we are discussing it. We already contemplated it. Now it is just a matter of implementing it. You are right that “see something, say something” is strong. Mr. Haskett is very good with signs and language. Do we put all four staff members’ phone numbers on the sign, or do we change it day by day? This is something we need to work on.

Mr. Haskett responded we will think through that, perhaps a slide sign saying who is now on duty.

Mr. Berube stated that is a good idea.

Mr. Haskett stated if we come to the next meeting and something needs to be adjusted, we will certainly do our best to get that done.

Mr. LeMenager stated I like the idea of hiring a couple of college kids.

Mr. Nicholas stated there are firms that will hire out certified lifeguards. Maybe just their presence at select hours will work. We had the security discussion before. Maybe you are not ready for it community wide, but perhaps you are for limited use. it is a presence, not a burly security presence but someone who can call for help right away.

Mr. Walls stated that is a good point because what residents have to understand is, if you put a person at the pool, they are not going to beat the person up for you and make them leave. If something bad happens, call the police or say something about it.

Mr. Berube stated the sign is there for people to read and call the person listed on the sign for assistance. I am not against hiring a lifeguard, but the bottom line is, we already budgeted for the fourth staff person. We can do this for no additional cost out of the budget and maybe do it efficiently. Certainly staff will report at the end of every

weekend back to Mr. Haskett, and if they have to respond 15 times a day, then we need to do Plan B. If it is a couple of times on any given weekend, if it does not interrupt their schedule much, and if we accomplished that from a budgeted line item, then we do not have to add anything or contract that out. We have to start somewhere. I think we can take an immediate reaction right now with no additional hits to the budget and see what happens. If it does not work, we can revise it. People are screaming for help. It has been going on for a couple of months. When people come in, they have tears in their eyes and do not want to bring their kids to the pool. That is terrible. People pay good money to live here, and it is up to us to manage our facilities. That is where I am at. I do not want to go through another summer like we did last summer with police here. That is not what Harmony is about. We have a lot of police living here because this is a nice neighborhood to live in. We should not need them managing our pools. I think Mr. Haskett has the right idea and can handle it. If you can implement this fairly quickly, that would be nice.

Mr. Haskett stated it will be done.

Mr. Berube asked did we handle this adequately?

Ms. Kassel responded we will see. I have my doubts.

Mr. LeMenager stated I certainly appreciate all of the comments, but we will be talking about it again next year.

Mr. Berube stated I am sure.

Mr. LeMenager stated it is never ending. That is always going to be the case. I appreciate all the talk about the kind of community we want it to be. The reality is, it is still a ranch in the middle of nowhere, surrounded by lots of different people.

Mr. Berube stated it is a very nice ranch with some very nice facilities that people want to use.

Mr. LeMenager stated I am not disagreeing with you. I live here and enjoy the facilities. I love my view and watching kids play soccer on the soccer field.

Mr. Berube stated there is a house on Indiagrass with a fence in a backyard that is encroaching on property. We gave the owner a deadline of March 31, which was a six-month extended deadline. What are we doing?

Mr. Moyer responded we sent a letter to the owner asking that they honor their commitment to move the fence. I received a response that the person who made the

commitment does not live in the house, and the person who lives in the house currently does not want to do that. We gave her a deadline and the response was “I have a pool so you cannot take the fence down.” We sent her another notice at Mr. Qualls’s advice which said “Please acknowledge that we have the right to move the fence and we will move it on your property line.” I do not believe I ever received a response. The bottom line is, if we want to move the fence, we have to move it.

Mr. Berube stated the point here is that we cannot take the fence down. We have to put it in another location and secure it.

Mr. Moyer stated that is correct.

Mr. Walls asked can we place a lien on the property?

Mr. Moyer responded I think we probably could. We are doing work for her benefit.

Mr. Qualls stated I think that is a good approach. What I researched was encroachment actions. I think it is clearly a violation. The fence is in the wrong place, but if we went beforehand and obtained a judgment saying they were encroaching and the fence had to be moved, we could slap a lien against the property. That would be ideal, but there are costs and time involved in doing so. That is why we tried to get her consent.

Mr. Berube stated eight months ago, the owner stood right in front of us and said there would not be a problem. That is what irritates me because he said he needed some time and we all agreed.

Mr. LeMenager asked does he live there, or not?

Mr. Berube stated it does not matter. He is the property owner.

Mr. Qualls asked is he the listed property owner?

Mr. Nicholas responded you cannot take the fence down because they will not have access to that pool. If you decide to take the fence down and move it, your risk becomes if you break a sprinkler head or a paver, and then you run the risk of her coming back and saying you did something. I think it is worth taking the risk at this point. Alternatively, you can just knock on the door and tell them you are there to move the fence and ask for her permission.

Mr. Berube stated let us look at it from another viewpoint. We are going to incur thousands of dollars in legal fees for letters going back and forth. How much square footage have they encroached upon? Is it less than 100 square feet?

Mr. Nicholas responded it is significant. It is 30 feet by the width of the lot.

Mr. Haskett stated the fence is supposed to curve, and they straightened it out.

Mr. Berube stated we should offer to sell them the piece of land the fence is encroaching upon.

Mr. Nicholas stated you are talking about a whole other set of legal bills.

Mr. Haskett stated I doubt she is in the position to purchase it anyway.

Mr. Berube stated either they are stonewalling us or they do not have any money.

Mr. Nicholas stated it is an economic issue.

Mr. Berube stated based on the owner's comments, we are setting a precedent. We allowed him to come on the land, he said there would not be an issue in moving the fence, and then he does not move the fence. What stops anyone else from coming onto CDD property, taking over some land and then saying we did not make him move his fence?

Mr. Walls stated I recommend moving the fence and sending them a bill and see what happens.

Mr. Moyer stated that is right. I think that is where we are at.

Mr. Qualls stated I am worried about stepping on her property and breaking something while we move the fence, and she turns around and sues the District. I would rather have her consent beforehand. If we can try to get her consent one more time in person and get to sign that the fence is going to be moved, I do not have a problem. It is probably not going to happen. I just want the record to be clear that I listed the potential things that could happen, but I agree. The District cannot allow encroachment onto its property.

Mr. Berube stated we are setting a dangerous precedent.

Ms. Kassel stated to give this some context, the people who own the house now were not the people who installed the fence. It is not as though they did this and they are not owning up to their malfeasance.

Mr. Qualls stated I understand taking down the fence that is not on their property. What is the issue with the pool?

Mr. Nicholas responded they cannot leave it open.

Mr. Qualls asked why it is our responsibility to fix that?

Mr. Nicholas responded it is all of ours to make sure we did not create another hazard. I suggest taking pictures to document the fence removal to adjust the risk of someone saying that you damaged their property.

Mr. Berube stated the real problem is the survey company or title company did not catch the fact that there was a fence on our property. They can go back to them if they want to fight that battle.

Mr. Nicholas stated this is not an expensive solution.

Mr. Berube asked have we found out how much this is going to cost?

Mr. Haskett responded I have not obtained a proposal.

Mr. Berube stated I suggest we have Chapco come out and show them where the fence needs to be, ask them if this all can be accomplished in one day, and find out how much it is going to cost.

Mr. Walls asked is a commercial company willing to do that? Are they willing to take the risk?

Mr. Berube responded Chapco will. Then you can relay the cost to counsel or Mr. Moyer, and they will send the owner one more letter telling them the cost to move the fence and the attorney's fees, and in 10 days, this project will start.

Mr. Qualls stated I like that. You do not ask her to consent. If she wants it to stop, then she takes care of it before that time. That is a consent on her part.

Mr. Moyer stated I will look at the letter. I believe that is exactly what we have done, and we are past the 10-day notice.

Mr. Berube stated I hear what Mr. Qualls is saying. We should tell them how much it is going to cost if we remove the fence plus the legal fees. Then they can make their decision if they want to receive a bill from us or do they want to do it themselves.

Mr. LeMenager asked is the person objecting a tenant?

Mr. Berube responded no, she is the wife.

Ms. Kassel stated it is probably a divorce situation.

Mr. Moyer stated most happen that way.

Mr. Qualls stated I have not seen any evidence of who owns it or who is on the list. I am hearing all of this third hand.

Mr. LeMenager stated I understand. The title will show who the owners are.

Mr. Berube stated it just irks me that the owner stood right there and said it will not be a problem and requested some time. He got the time and now we have a problem that we have to fix. Can we get Chapco out and get an estimate?

Mr. Moyer responded yes.

Mr. Berube stated we already have some legal time invested in this.

Mr. Qualls stated I think we just reviewed one letter.

Mr. Berube stated since we have a tight timeframe, the letter should go by certified mail and regular mail because they are going to refuse the certified mail but at least we tried.

Mr. Qualls stated I just want to verify that the person we are sending this letter to is the actual owner. Is that clear? The actual owner is going to have the lien against the property.

Mr. Nicholas stated they have been receiving the letters, so there has been communication. They are not denying that they are getting the letters.

Mr. Qualls asked is she the owner?

Mr. Nicholas stated they are on the deed, either he is or she is or both are.

## **SIXTH ORDER OF BUSINESS**

### **Developer's Report**

Mr. Nicholas stated due to my departure next Wednesday, you will have no fewer than half a dozen very highly skilled folks who will be involved in the project. Mr. Bill Kouwenhoven will be taking over the CDD and HOA for Starwood Land Ventures. Mr. Bob Glantz will be your primary contact. I have provided you with their email addresses.

Mr. LeMenager asked does Mr. Kouwenhoven work for the developer?

Mr. Nicholas responded he works for Starwood Land Ventures, which is one of our firms that manages much of the east coast, not Harmony up until now. With my departure, it is a good time to bring in that crew. They have a robust team working on this project.

Mr. LeMenager stated the seat at the table is for the developer.

Mr. Nicholas stated yes, and they are the developer.

Mr. LeMenager asked it is not Harmony Development Company?

Mr. Nicholas responded we are part of Starwood Land Ventures. If I can get a time locked in, perhaps I can communicate with Mr. Kessler so he knows when to come back

to report to the Board regarding the 2001 refinancing. If you need anything else from me, I will still be local living in the neighborhood.

Mr. Berube stated it has been a pleasure working with you.

Mr. LeMenager stated I would like to take this opportunity to thank Mr. Nicholas for his input and service to the Board.

Ms. Kassel stated I was going to suggest having a Resolution for his service to the Board.

Mr. LeMenager stated he is clearly and conspicuously been a terrific person in terms of getting things done and getting us to the heart of the matter. You have done a terrific job, and we are all sorry to see you go.

Mr. Berube stated beyond the development of the community, you have given us great guidance with the financial matters, which affect all of us directly. Between the street light work and refinancing the bonds, it is money we would have to spend and we are spending less of it due to you. It has been a pleasure working with you!

Mr. Nicholas stated thank you. I appreciate that and I am glad to hear it.

A Resident asked if we are successful in refinancing the bonds, will that have any effect on us as home owners being able to pay off our CDD bond?

Mr. LeMenager responded you can still pay it off now.

Ms. Kassel stated you can pay it off before or after.

Mr. LeMenager stated it will not affect the payoff amount, not in the short term.

Mr. Moyer stated the principal stays the same. All we are benefitting from is a lower interest rate. The annual installment goes down, but the principal amount stays the same.

Mr. LeMenager stated we will actually be paying the principal down more quickly with the lower interest rate. In the medium term, it will actually reduce the amount you have to pay to pay off your bond, but in the short term, it will have zero impact.

Mr. Berube stated in the immediate term, it will reduce your total CDD assessment this year and years going forward by 4% to 5%.

Mr. LeMenager stated if you are contemplating paying off your bond, which Ms. Kassel and I have done, the best time to do it is right around August.

Mr. Moyer stated that is correct.

Mr. LeMenager stated that will get you into the tax rolls so it will disappear from next year's tax bill. There is no advantage to paying it off earlier than that, but interest rates

are so low now that it does not make much difference. If you can get it to them by August, they will process it and it will not be on your November tax bill.

The Resident stated I received the payoff amount, so I will be taking care of that. Last month, I asked if we were going to be doing anything in the open field off of Butterfly Drive. Is this still up in the air?

Ms. Kassel responded he is referring to the extension of the Lakeshore Drive path.

Mr. Nicholas stated we did some clearing there. The extension of Lakeshore Park is CDD property. We are investigating options there, but that is up to the individuals who take over for me.

Mr. Berube asked did you mean park land or homes going into that field?

The Resident responded I meant housing. There was some discussion about extending the walkway and doing some additional work.

Mr. Nicholas stated in terms of neighborhood, that is the next subdivision up for planning.

The Resident responded will it be moving forward in the next year or so?

Mr. Nicholas responded it depends on the economy.

Mr. LeMenager stated I heard from one builder that they are already ready to put 26 lots there. I am assuming that is going to be moving forward.

Mr. Nicholas stated that is parcel F, which is across from the school. There will be single-family, detached homes in the not-too-distant future.

## **SEVENTH ORDER OF BUSINESS**

### **District Manager's Report**

#### **A. April 30, 2014 Financial Statements**

Mr. Moyer reviewed the financial statements, which are included in the agenda package and are available for public review in the District Office during normal business hours.

Mr. Moyer stated we are currently 95% collected on our non-ad valorem assessments. On the expenditure side, we are under budget, but it is certainly not like a year or two years ago. We are getting pretty close to spending all of our revenues at the end of the fiscal year.

Mr. LeMenager stated we are clearly going to exceed that. The OUC trucks are out there now. When do we have to pay that \$161,000 bill?



Mr. Nicholas responded they are pulling cable now and voltage will be next. I think the poles are still on a longer lead time. It may be a couple of weeks until we get the poles in the ground.

Mr. LeMenager asked when should we expect to pay the \$161,000? Will it be this fiscal year?

Mr. Nicholas stated I do not know the answer to that. I will touch base with OUC. However, I suspect in having dealt with OUC before, sometimes they will come in and set up a transformer and I receive a bill eight months later. If we do not beg for it, it will just come when accounting processes it. It is up to you. If you want me to push, I will push them.

Mr. LeMenager stated no thanks. It is just when we are doing the financials, it is something we need to keep in mind. We should not be sitting here saying we are extremely under budget.

Mr. Nicholas stated you have an amount and a contract, and if you wanted to separate it and show that as a committed amount, that would be fine.

Mr. Berube stated it is right in front of my mind. I am not going to forget it.

**B. Invoice Approval #169 and Check Run Summary**

Mr. Moyer reviewed the invoices and check summary, which are included in the agenda package and are available for public review in the District Office during normal business hours, and requested approval.

Ms. Kassel asked is the reason for the Spies expenses due to getting the pools ready for the summer? There were also a lot of parts from Spies.

Mr. Haskett responded this was all part of getting the pools ready for the season. There were a few expenditures because the previous pool company did not keep up with the chemical controllers, so we made sure those were up and running. They did not damage them. When they wore out, the pool company did not replace them. We felt those were important to have running.

Mr. Berube stated they look like high-quality controllers.

Mr. Haskett stated they are.

Mr. Berube stated we talked about the switch from muriatic acid to sulfuric acid. Are we adding those chemicals manually in response to chemical demand?

Mr. Haskett responded it is all computer controlled.

Mr. Berube asked do we have automatic chlorine feeders?

Mr. Haskett responded yes, we do.

Mr. Berube asked how about looking at automatic acid feeders so the pH level can be balanced?

Mr. Haskett responded the sulfuric acid is on automatic.

On MOTION by Mr. Walls, seconded by Ms. Kassel, with all in favor, unanimous approval was given to the invoices, as presented.

### **C. Acceptance of the Arbitrage Rebate Report**

Mr. Moyer stated this report is for the 2001 bonds. The report states we have no arbitrage rebate liability.

On MOTION by Mr. Walls, seconded by Ms. Kassel, with all in favor, unanimous approval was given to accept the Arbitrage Rebate Report, as presented.

Mr. Berube asked if we refinance the bonds, is that arbitrage likely to change?

Mr. LeMenager responded no.

Mr. Moyer stated every year you have to determine the amount of arbitrage liability, so it does not matter.

### **D. Distribution of the Proposed Budget for Fiscal Year 2015 and Consideration of Resolution 2014-03 Approving the Budget and Setting the Public Hearing**

Mr. Moyer stated we are starting the process for the approval of the fiscal year 2015 budget. You have Resolution 2014-03 in your agenda package setting August 28 as the public hearing. As your Chairman mentioned, we will probably schedule a workshop in June. All I am looking for tonight is the approval of the Resolution. You are not adopting the budget. All you are doing is approving it for the purpose of moving forward with the process.

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to adopt Resolution 2014-03 approving the budget and setting the public hearing for August 28, 2014, at 6:00 p.m.

Mr. Berube stated we have not decided on holding a workshop yet, but historically we have held a workshop before the June meeting. Does everyone agree to hold the workshop? The budget looks good the way you prepared it, but several items need to be

adjusted, such as the \$26,000 increase for Davey Tree and Robert's Pools, which is figured at \$15,600. We do not pay Robert's Pools anymore. That is a big number right there, and there are a few others to adjust to move where we need to be and keep the assessment flat.

Mr. LeMenager stated please make sure Mr. Kouwenhoven attends the workshop and comes prepared to discuss how we are going to pay for street lights next year in new neighborhoods.

*There was consensus from the Board to hold a budget workshop on June 26, 2014, at 4:00 p.m.*

Mr. Berube asked do we need seven days to advertise the workshop?

Mr. Moyer responded yes. I will handle it.

Mr. Berube asked will this bond refinancing affect the timing of the workshop?

Mr. Moyer responded no.

Mr. Berube stated you will need to redo the budget in consideration of the refinancing.

Mr. Moyer stated that is correct. That will all be part of the process. We will have that information well before August 28.

#### **E. Public Comments/Communication Log**

The complaint log is contained in the agenda package and is available for public review in the District Office during normal business hours.

#### **F. Website Statistics**

The website statistics are contained in the agenda package and are available for public review in the District Office during normal business hours.

### **EIGHTH ORDER OF BUSINESS**

#### **Staff Reports**

##### **A. Attorney**

Mr. Qualls stated I provided an email to the Board with a deed of dedication for Neighborhood H-1. We did not prepare this document. It was prepared by the grantor.

Mr. LeMenager asked why is this a quit-claim deed rather than a warranty deed?

Mr. Qualls responded that is a good question. I can speak to the grantor about it, but they are only dedicating whatever rights, ownership, and interest that it has.

Mr. LeMenager stated they have owned it for a long time now.

Mr. Nicholas stated I understand. This instrument is not doing anything. The plat is the instrument that would actually convey the property. It is a fair question. I can ask our counsel.

Mr. Qualls stated it is a good question.

Mr. Nicholas stated the plat is this big, complicated document where you have to look for land and find utility tracts. This is just a nice, neat way of showing you.

Mr. LeMenager stated I understand. When I saw that it said quit-claim deed, I thought this was the lowest form of deed. Do they have anything with more guarantee?

Ms. Kassel stated we should table this until the continued meeting or the next regular meeting.

Mr. Qualls stated I think that is a fair way to handle it. You could approve it, subject to legal counsel determining that, working together with the grantor, that this is the best conveyance method.

Mr. LeMenager stated I am fine with that. it was just a question I had when I looked at it.

Mr. Berube asked is there significance to the question?

Mr. Qualls responded yes, I think there is.

Mr. LeMenager stated basically a quit-claim deed says if someone comes along later down the road and wants to fight you on your rights to this land, the party that quit claimed is not going to be part of the defense. If you get a warranty deed, the grantor will be part of the defense.

Mr. Qualls stated a quit-claim deed says whatever rights I have in this property, I give to you. A warranty deed says I am warranting you that it is free of encumbrances and other things of that nature. Clearly, the warranty deed is the superior, but if you look at the plat, which has been finalized and recorded, all of these things have already been dedicated.

Mr. LeMenager stated I do not know if it is a big deal, but you want to get the best deed you can.

Mr. Qualls stated I do not see, timing wise, how it matters to allow me to get the answer to you and present it to you at the continued meeting.

Mr. LeMenager stated that is fine.

Mr. Nicholas stated I am sending an email to the attorney right now asking him why.

Mr. Berube stated it was your attorney who prepared it.

Mr. Nicholas stated it was our idea because we looked back at the history and found that we used these instruments to show what all the plat maps have done. You do not need it. We have the land.

Ms. Kassel stated it is really just a paper trail.

Mr. Nicholas stated that is correct.

Mr. Moyer stated there has been an ongoing argument for a long time about whether or not you can legally convey property by plat. A lot of attorneys think that you need to follow up with a recorded instrument.

### **B. Engineer**

Mr. Boyd stated we just completed construction of Harmony Neighborhood H-1. The final step in completing the neighborhood so homes can be built is to transfer the ponds from the construction phase to the operation phase. We already certified the ponds as being completed in conformance with the permit. The last step of that process is to provide a form that SFWMD requires, stating they are being turned over to the operation phase as they are owned by the SFWMD. I also have the certification of completion to document that the ponds were built according to the permit and have been accepted. I just need the Chairman's signature on this so I can provide to SFWMD, and the permits will be completely closed out.

Mr. Berube asked has District Counsel reviewed these documents?

Mr. Qualls responded yes.

Mr. Berube asked has the District Manager seen the documents?

Mr. Moyer responded yes.

<p>On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to authorize the Chairman to execute the Request for Transfer of the Environmental Resource Permit to the SFWMD as the perpetual entity, to close out construction of two stormwater ponds in Neighborhood H-1.</p>
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## **NINTH ORDER OF BUSINESS**

### **Supervisor Requests**

Ms. Kassel stated I wanted to bring before the Board some complaints by some residents, one resident in particular, about fishing on her pond. She no longer has the enjoyment or privacy she was able to have before. She is requesting that the Board change its mind about allowing fishing in the ponds. She was a very unhappy resident.

Mr. LeMenager asked are the signs still up on Bracken Fern?

Mr. Berube responded yes.

Mr. LeMenager stated I did note that they came down in Lakeshore Park.

Mr. Berube stated they did, and I am aware of the resident's concern. She makes some good points. I pointed out there were some concessions to the people who turned out by leaving up the signs. They appreciated the signs stayed. It is what it is. You are right. She is not very happy.

Mr. LeMenager stated it depends on who is fishing there. What gets me is when I see people being happy about being able to fish now. The point is, they cannot fish in the ponds as it is against the HOA rules. The only position the CDD took was, it has no position.

Mr. Berube stated part of her comment picked on fishermen and people who came out there to eat and party. Everything a person could possibly do on a pond, she included.

Mr. Nicholas stated the next day, the visual cue was that it was okay to fish in the ponds.

Ms. Kassel stated I would like to have a Resolution prepared recognizing Mr. Nicholas's contribution to the Harmony CDD Board and the CDD itself.

Mr. Berube stated I agree. The last time Mr. Moyer did one of these, it was a nice plaque.

Mr. LeMenager stated it was a piece of paper.

Mr. Berube stated we did one for Mr. Bob Evans.

Mr. Walls stated I do not think the rules are on the website yet. I was going to refer someone to them, but they were not on the website.

Mr. Berube stated there was an electronic version you could have sent them.

Mr. Walls stated those were all marked up.

Mr. Berube stated it still would have worked.

Mr. Qualls stated I will provide a clean copy to Ms. Brenda Burgess.

## **TENTH ORDER OF BUSINESS**

### **Adjournment**

Mr. Nicholas stated we need to set a date for the continued meeting so I can communicate that to Mr. Kessler.

Mr. Walls asked what do we really need to do, look at the proposal and approve it?

Mr. Moyer responded they will bring a supplemental resolution to the bond resolution that will identify terms.

Mr. LeMenager stated I would like to have the documents in advance to review prior to the meeting.

Mr. Nicholas stated they will provide the indenture documents when they are ready. At the continued meeting, they will answer any final questions.

Ms. Kassel asked can we make sure to have a conference call unit that works?

Mr. Berube stated we know the conference phone does not work. If the Board is in agreement, I will get the phone from Mr. Haskett and sell it on eBay or Amazon to dispose of it.

Ms. Kassel stated that is fine, but we need one that works.

Mr. Berube stated I understand. If the Board is in agreement, we can handle that phone in that manner. Mr. Haskett was going to talk to someone who handles phones for this building

Mr. Haskett stated there are a couple options I am looking at.

*After a brief discussion, the Board scheduled Tuesday, June 10, 2014, at 6:00 p.m. for the continued meeting.*

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to recess and continue the meeting to Tuesday, June 10, 2014, at 6:00 p.m.
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Gary L. Moyer, Secretary

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Steve Berube, Chairman